

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 EB-08 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06

OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /112 W

-----071350 262312Z /75

R 261243Z AUG 77

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 3312

INFO USDOC WASHDC

AMEMBASSY BONN

AMEMBASSY VIENNA

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USDOC FOR MEPD

E.O. 11652: N/A

TAGS: BENC, EMIN, ENRG, GW, NI

SUBJECT: DIRECT REDUCTION STEEL MILLS

REF: LAGOS 9512

1. MIDREX OFFICIALS GNETTE AND RHODE RETURNED TO EMBASSY AUGUST 23. PERMSEC JODA, THEY SAID, TOLD THEM MOI ITSELF HAF FAVORED PORT HARECOURT SITE, AND GAVE THEM IMPRESSION THAT HAVING ONCE ARGUED ON LOSING SIDE HE HAD NO GREAT DESIRE TO GET INVOLVED IN MORE CONTROVERSY. JODA SAID HE GOING ON LEAVE AND SUGGESTED MIDREX SET DOWN ITS ARGUMENTS IN LETTER TO DEDE WHICH DEDE COULD BRING TO ATTENTION OF COMMISSIONER. GOETTE SAID HE WOULD DO SO. GOETTE WILL ATTEMPT TO GET DEDE'S AGREEMENT FOR MIDREX TO VISIT GOVERNMENT'S CONSULTANT MECOA IN INDIA TO OBTAIN UPDATED TECHNICAL INFORMATION NEEDED TO RESUBMIT BID ON WARRI MILL. GOETTE SAID HE WOULD REGARD REACTION TO THIS REQUEST AS LITMUS OF MOI'S INTENTIONS TOWARDS HIM FIRM.

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2. GOETTE SAID TOTAL VALUE OF DIRECT REDUCTION STEEL MILLS, EXCLUDING INFRASTRUCTURE, IS DOLLARS 820 MILLION FOR PORT HARCOURT AND BETWEEN DOLLARS 700 AND 750 MILLION FOR WARRI. ASKED HOW MUCH OF THIS WOULD ACTUALLY BENEFIT AMERICAN AS OPPOSED TO GERMAN FIRMS, GOETTE SAID MIDREX GETS FEES FROM THE CONSTRUCTOR OF EACH PLANT USING MIDREX PROCESS, AS WELL AS OPERATING FEES. THESE

WOULD AMOUNT TO ABOUT DOLLARS 5 MILLION EACH IN CASE OF PORT HARCOURT STEEL MILL. IN ADDITION, MIDLAND-ROSS, ORIGINAL OWNER OF MIDREX PROCESS, STILL GETS ROYALTIES. IN RESPONSE TO QUESTION ABOUT WHAT AUSTRIAN AND GERMAN EMBASSIES DOING, GOETTE SAID AUSTRIAN COMMERCIAL ATTACHE HAS BEEN ASKED FOR ASSISTANCE AND IS RESPONDING. HOWEVER, GIVEN INTEREST OF GERMAN FIRMS IN BOTH PLANTS, MIDREX CANNOT ASK GERMAN COMMERCIAL ATTACHE TO INTERVENE.

3. GOETTE SAID THAT MIDREX PROCESS IS NOW USED IN 7 PLANTS PRODUCING THREE MILLION TONS PER YEAR OF STEEL. BY END OF 1978. TEN MORE PLANTS WILL COME ON STREAM BRINGING TOTAL OUTPUT TO SEVEN MILLION TPY.
EASUM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 26-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Litigation Codes:
Litigation History:
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